

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7804

BILL NUMBER: SB 345

DATE PREPARED: Feb 26, 2001

BILL AMENDED: Feb 26, 2001

SUBJECT: Financial and consumer entity regulation.

FISCAL ANALYST: Chris Baker

PHONE NUMBER: 232-9851

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill updates consumer law and financial institution law references to federal law. It also specifies that rental purchase agreements do not apply to motor vehicles. The bill provides for notice to the Department of Financial Institutions if certain events happen to an entity. This bill allows the director of financial institutions to require evidence of licensee compliance for certain licensees. It allows the director of financial institutions to obtain criminal history reports for certain licensees. The bill also makes certain changes regarding the use of the word "trust" in the name of a business. The bill allows a bank or trust company to act as an agent or broker for an insurance company in other states. It allows an out-of-state financial institution to convert to a state-chartered commercial bank. It also makes certain changes to filing requirements with the Secretary of State and the Department of Financial Institutions. The bill allows a savings bank to act as an agent or broker for an insurance company in other states. The bill also makes a change to a provision regulating credit unions to comply with federal law. This bill requires uninsured financial institutions to notify the Department of Financial Institutions when a crime has occurred. This bill also allows financial institutions to do a reverse stock split. It allows financial institutions to engage in expanded financial activities through subsidiaries. The bill also limits certain additional pawnbroker fees. The bill makes technical corrections.

Effective Date: July 1, 2001.

Explanation of State Expenditures: There may be some additional administrative expenses incurred by the Department of Financial Institutions. However, fees for inspection should be able to cover the expenses. Any impact would be minimal.

Explanation of State Revenues: (Revised) If a credit union is denied by the Department of the request to exercise rights and privileges that are granted to federal credit unions, the credit union may appeal the decision of the Department to the circuit court of jurisdiction. The filing fee for a civil action in a trial court is \$100. Of this fee, 70%, or \$70, is deposited in the State General Fund if the case is filed in a trial court.

Explanation of Local Expenditures: (Revised) The operating expenses of the trial courts are paid by the County General Fund.

Explanation of Local Revenues: (Revised) If a case is filed in a trial court, the County General Fund receives 27%, or \$27, of the filing fee. The other 3%, or \$3, is deposited in the General Fund of the cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a circuit, superior, county, or municipal court located in the County.

State Agencies Affected: Department of Financial Institutions.

Local Agencies Affected:

Information Sources: Phil Goddard, Indiana Department of Financial Institutions, (317) 232-5837; 1999 *Indiana Judicial Service Report, Volume I, p. 77.*